going to export and in return, if they are going to manufacture certain goods, if they require raw materials from abroad, this concession is shown to them so that they could export at competitive rates.

SHRI NARENDRA MOHAN: Sir, my question is clear. I wanted to know whether the Government propose to take action against export defaulters for not fulfilling their export obligations. Is there not an export obligation on the multi-national company to export those materials which they manufacture?

SHRI RAMAKRISHNA HEGDE: If there are such things, they will be looked into.

Threat Perceptions by WTO Agreement

*164. SHRI PRANAB MUKHERJEE: Will the Minister of COMMERCE be pleased to state:

(a) whether the Prime Minister has appointed a high level Committee to review the "threat perceptions" that have been created by WTO agreement;

(b) if so, what is the composition and the terms of reference of the Committee;

(c) whether the Committee has submitted any report to Government; and

(d) if so, what are the details in this regard?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (d) The Prime Minister constituted a Group of Ministers (GOM) to consider the strategy to be adopted by India at the Ministerial Meeting of the WTO in Geneva, which was held between 18.5.98 and 20.5.1998. Thus the terms of reference of the GOM were defined as above, and did not include formal submission of a report to Govt.

The Group of Ministers was constituted with the following composition:

(1) Shri Ramakrishna Hegde
Minister of Commerce

(2) Shri Sikandar Bakht
Minister of Industry

(3) Dr. Murli Manohar Joshi,
Minister of Human Resource Development and Minister of Science and Technology

(4) Shri Yashwant Sinha
Minister of Finance

(5) Shri Sompal,
Minister of State in the Ministry of Agriculture

Shri Jaswant Singh, Deputy Chairman, Planning Commission was invited to participate in the meetings of the Group.

Based on the strategy evolved by the GOM, India succeeded in adequately reflecting its concerns and approach relating to the multilateral trading system in the Ministerial Declaration as also in the Declaration on Electronic Commerce.

The Conference has endorsed India's view that existing Agreements arising out of the Uruguay Round should be effectively implemented so as to ensure that the benefits of the multilateral trading system flow to all countries, especially developing countries like India. The Ministerial Declaration clearly and unambiguously states that "full and faithful implementation of the WTO Agreement and Ministerial Decisions is imperative for the credibility of the multilateral trading system and indispensable for maintaining the momentum for expanding global trade, fostering job creation and raising standards of living in all parts of the world."

SHRI PRANAB MUKHERJEE: Sir, the hon. Minister, in his statement, has indicated that the Group of Ministers appointed by the hon. Prime Minister considered the strategy to be adopted at the Ministerial Conference to be held in Geneva and which has since, been held

between 18th and 20th May, 1998. In the statement he has indicated, I quote, "Based on the strategy evolved by the Group of Ministers, India succeeded in adequately reflecting its concerns and approach relating to the multilateral trading system..." This is the third Ministerial level conference which took place at Geneva after the Ministerial Conference at Marrakesh where the W.T.O. was established in 1994. Thereafter, the Ministerial Conference at Singapore took place in September/ October, 1996. Out of these concerns, one of the important concerns of India was in regard to trade related investment. In the Marrakesh declaration it was clearly indicated that the investment decision is the sovereign decision of a Government. Whenever a Government decides to open a sector for investment from abroad on its own, in that sector, the Government cannot make any distinction between indigenous investors and investors from abroad. The national treatment is to be extended to all equally. But the rider was, which sector will be opened up by which Government for investment will ultimately be decided by the sovereign will of the Government concerned because it is not merely related to trade but it is also closely linked with development. But, this decision was, to some extent, altered at the Ministerial Meeting at Singapore. Sir, I would like to know from the hon. Minister whether the Study Group which was set up in Singapore to look into the two matters—one is, trade related investment and another is, in regard to the trade and international labour standards on which we have expressed our concern and tried to get it reflected in the Ministerial Declaration—got those matters adequately reflected in the Ministerial Declaration which they adopted at Geneva.

SHRI RAMAKRISHNA HEGDE: Sir, the hon. Member was, for quite sometime, Minister for Commerce. He has made a long statement instead of putting a question. This question pertained to the constitution of a Group of Ministers by the hon. Prime Minister. You know, as I have said in my reply, this group was constituted before going to Geneva to attend this conference and the Commerce Minister could have an opportunity of discussing with other colleagues and this was very useful. Sir, several points were discussed. If the hon. Member would like to see the statement issued after the conference—I am prepared to lay a copy of that statement on the Table of the House — he will find that all these points were incorporated in the joint statement. We opposed, for instance, unilateralism. We said that it is absolutely necessary that trade must be treated as an instrument for development. We said that regional trade blocks may be desirable but they must be consistent with and complimentary to the W.T.O. principles and we also said that the Uruguay Round Agreement must get first priority. As long as decisions taken in the Uruguay Round agreement are not implemented, no new negotiations should be started. I am very happy to inform the House that we took a very firm stand. Most of the developing countries were supporting us on this question. I may reveal here that certain developing countries were insisting that a new round of discussions should take place. We actually blocked it.

We opposed protectionism. Certain countries are against the WTO principle. They are indulging in this practice. Lastly, the imbalances in the Uruguay Agreement must be set right.

SHRI PRANAB MUKHERJEE: Sir, my supplementary arose because it was articulated in the form of a question. The hon. Minister in his own statement has said, "Based on the strategy evolved by the Group of Ministers, India succeeded in adequately reflecting its concern." If you had not put this sentence in your statement while replying to the debate, my supplementary would not have arisen. Therefore, I would like to know about the two specific concerns which I referred to. You say that the pending business of

Uruguay Round of discussion should be completed first. You articulate your views on multi-national and trade block. I would like to know whether the two specific concerns — first, that investment is alone not linked with the trade, but investment has a development aspect also, and investment decision should necessarily lie with the sovereign will of the Government; secondly, international labour standards should not be linked with the WTO because there is a specific organization, that is, the ILO, which should deal with it — are adequately reflected in your statement or not. Say 'yes' or 'no'.

SHRI RAMAKRISHNA HEGDE: Sir, the discussions which took place in the WTO Conference, held in Geneva, were transitory. Final discussion will take place only in the next conference. The subject referred to by the hon. Member, that is, trade and investment, is still to be discussed by the working group of the WTO. Till then we cannot say anything about it. Sir, I would again repeat that I would lay my statement, made before the WTO Conference, on the Table of the House. If any Member, who reads it, has any doubt, it can be clarified.

MR. CHAIRMAN: Shri Ashok Mitra ...*(Interruptions)*... Please sit down ...*(Interruptions)*... You cannot say anything ...*(Interruptions)*... This is quite sufficient. ...*(Interruptions)*... Shri Ashok Mitra.

SHRI ASHOK MITRA: Mr. Chairman, Sir, the hon. Minister has referred to a very senior, distinguished Group of Ministers. But I hesitate a little bit to mention it. It is not so ancient a history, but between 1993 and 1996, Members belonging to a major constituent of the ruling party, were vociferous in raising objections to the manner in which the Uruguay Agreement and the follow-up of it, the marrakesh Treaty, were signed by the Government. That is why I am taken a back by this statement that India's view is that the existing agreement arising out of the Uruguay Round should be effectively implemented in order to benefit the multinational trading, etc., etc.

Now, does it mean that the present Government accepts in full the implications of the Marrakesh Treaty. If some of the major fighters against imposition by outsiders on our freedom to decide our future, have had meanwhile a change of heart, I have nothing to say. I would still have three questions to raise on three subsequent issues. There are three points on which the developing countries had a kind of mutual understanding amongst themselves, that they would fight some of the issues that have been thrust upon them by the developed countries. There are three particular issues on which we focussed. Number one was the attempt to browbeat countries like India to give up on their own certain protective devices in the Marrakesh Treaty. For example, Article 18 B said that the developing countries, for balance of payments reasons, can continue with restrictions on imports of certain types. Now, we know that there is a very concerted attempt on the part of the United States Government that we should give up this particular prerogative which we have.

Second, there was considerable agitation amongst the developing countries, that the European Union along with the United States Government, are trying to bully us into front — loading the implementation of certain of the provisions which could easily be back-loaded. These are certain things on which we could have negotiated on and on till 2005. They want us to sign on the dotted line straightway. I wish to know whether the group of Ministers are taking some views on that. All right, since there is some agitation, ...*(Interruptions)*... I will not mention my third point. Mr. Hegde is a very good friend of mine.

SHRI RAMAKRISHNA HEGDE: Sir, hon. Dr. Mitra's anxiety flows from a certain consistent stance he has been taken in regard to this matter. I

appreciate his views. But, there is no question of surrendering our interest under any pressure, pressure of any kind, forward bloc or any country. Therefore, I request him to kindly read the statement which I am going to leave on the Table of the House. And later on, if there is any further doubt in his mind, I am always willing to discuss with him separately. But let me read out two sentences so that he should feel satisfied.

The Conference has endorsed India's view that existing Agreements arising out of the Uruguay Round should be effectively implemented so as to ensure that the benefits of the multilateral trading system flow to all countries, especially developing countries like India. The Ministerial Declaration clearly and unambigously states that "full and faithful implementation of the WTO Agreement and Ministerial Decisions is imperative for the credibility of the multilateral trading system and indispensable for maintaining the momentum for expanding global trade, fostering job creation and raising standards of living in all parts of the world".

I think it should be sufficient if he has any doubt.

DR. BIPLAB DASGUPTA: Sir, I think two major issues are coming up, about which I expected an answer from the hon. Minister.

One was, after the Ordinance which was promulgated to get entry into the World Trade Organisation lapsed, because the BJP, the Left Front and other parties opposed it, I understand, some of the Western countries went to the Disputes Settlement Board of the World Trade Organisation. I also understand, the Disputes Settlement Board had given India fifteen months' time to implement those particular points in the Ordinance. On this point, I would like to know from the hon. Minister whether he is willing to bring forward this law again; and, what is going to be the position of the ruling party? This is one thing.

The other thing is, in 1999, i.e. next year, there is supposed to be a reassessment of the patents issue — intellectual property rights, under the TRIPS Agreement. This kind of a reassessment is going to happen next year. I think this gives us an opportunity, along with the other Third World countries, to force some kind of changes in the WTO Treaty; if not the whole of it, but, to start with, TRIPS; and then, probably, one can bring in some of the issues which have been mentioned by Pranab babu.

What are we going to do on these two issues? As far as the recommendation of the Disputes Settlement Board is concerned, what is the Government proposing to do? Are they going to bring back the law which was rejected here? The second question, which is very important, is: what are you going to do next year, during the reassessment of the TRIPS Agreement, to ensure that there is a worldwide opinion in respect of the WTO provisions which go against the Third World?

Thank you, Sir.

SHRI RAMAKRISHNA HEGDE: Sir, I would answer the hon. Member's question by saying that a comprehensive statement in regard to the points raised by the hon. Member and also in regard to certain other points which were raised earlier would be made in the House during this Session.

डा० महेश चन्द्र शर्मा: सभापति महोदय, विश्व व्यापार संगठन एक साम्राज्यवादी प्रवृत्ति संगठन है। भारत के हितों की रक्षा करना वहां कठिन काम है। मंत्री महोदय ने कुछ प्रयत्न करके भारत की बात वहां रखवाई। लेकिन क्या मंत्री महोदय इस संदर्भ में जो तीन मंत्री स्तरीय सम्मेलन हुए हैं — मोरक्को, सिंगापुर और जेनेवा, इन तीनों के बारे में कोई श्वेत-पत्र जारी करने का विचार रखते हैं?

श्री रामकृष्ण हेगड़े: श्वेत-पत्र की कोई जरूरत मुझे दिखाई नहीं देती। मैंने कहा कि इसके बारे में एक समग्र विस्तृत स्टेटमेंट मैं रखूंगा और इस बात से मैं सहमत नहीं हूं कि भारत अपने इंटरेस्ट की हिफाजत नहीं कर सकेगा। उसकी हिफाजत हम जरूर करेंगे।